IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
APPEAL FROM ORDER NO.737 OF 2007

1. Shri Sanjeev M. Porwal
2. Shri Mahendra M. Porwal
3. Shri Rajesh M. Porwal ... Appellants
(Orig.Defendants)

Versus

M/s.Porwal Cycle and Motor Co... Respondents
(Orig.Plaintiff)

Shri S.A.Sawant for the Appellants
Shri Himanshu W.Kane for the Respondents

CORAM : S.R.SATHE,J.
DATED : 24/10/2007

ORAL ORDER :-

1. Heard both the learned Advocates at length.

2. The appeal is heard finally at admission stage.

3. Appellants-the original defendants have preferred this appeal against the order passed by the Ad-hoc District Judge, Pune below Exh-5 in Suit No.4 of 2007 whereby defendants are restrained from conducting their business of selling bicycles, tricycles and other items included in clause-12 of the Trade Marks Act by using trade name "PORWAL'S" till the disposal of the suit.

4. The brief facts giving rise to this appeal are as under :-

M/s.Porwal Cycles and Motor Company (original Plaintiff) is a registered partnership firm dealing in business of selling bicycles, tricycles and other articles such as Baby walker, children's scooter, tram etc. for last more than 50 years at Pune. The said firm has acquired goodwill and reputation in the market and the partners of the Plaintiff firm are known in the society "Porwal Cyclewale". With a view to protect and preserve their name and reputation the Plaintiff-firm got its trade name "PORWAL" registered under the Trade Mark Act, 1999 (hereinafter referred to as the said Act) The defendants were previously serving in Plaintiff's shop. Naturally, while in Plaintiff's employment they acquired knowledge and experience in the business of the Plaintiff. Defendants also came in contact with various customers of Plaintiff. Recently, defendants opened their shop at Hermes Paras, Kalyaninagar, Pune. The defendants started doing business under the name and style as "Porwal's Baby's World" and "Porwal's Children's Paradise". They are

also dealing in bicycles, tricycles as well as in other items which Plaintiff's firm is dealing. The Plaintiff came to know that defendants are representing to the customers that their shop is a branch of "Porwal Cyclewale" of Laxmi Road, Pune. Thus, according to Plaintiff, defendants not only infringed Plaintiff's valuable right of registered trade mark but they also started doing act of passing of by marketing their own goods as that of Plaintiff. As a result of this, Plaintiff's business was affected. Because of the similarity in the name of Plaintiff's business name and defendant's business name confusion arose amongst the customers. The defendants did this with a view to gain wrongful advantage of the reputation and goodwill acquired by Plaintiff. Plaintiff, therefore, issued a notice dated 01/02/2007 to defendants and called upon them to stop their illegal activities of doing business in the name of "Porwal's Children Paradise" and "Porwal's Baby's World". The defendants gave reply to the said notice and denied Plaintiff's allegation and continued to carry on their business. Hence, Plaintiff filed the present suit for declaration that defendants have no right to continue their business of dealing in

bicycles, tricycles and other items by using name "Porwal" in respect of which Plaintiff has obtained registration certificate under the said Act. The Plaintiff also prayed for permanent injunction restraining defendants from continuing their business by using Plaintiff's registered trade name.

5. Plaintiffs filed application for temporary injunction restraining defendants from carrying on business of using Plaintiff's trade name till the disposal of the suit.

6. The defendants filed their say and opposed the application by contending that Plaintiffs have registered trade mark in the name of trading as "Porwal Cycle and Motor Company" and not in the name "PORWAL". The defendants also denied Plaintiff's allegation that they are dealing in the said business by taking undue advantage of Plaintiff's goodwill and reputation. They also denied the allegation that the act of defendants dealing in the said business in the name and style "Porwal's Baby's World", "Porwal's Children's Paradise" has any way affected Plaintiff's business or caused

loss to the Plaintiff.

7. The defendants further contended that they are relatives of the partners of Plaintiff firm. Both of them are having their surname as “Porwal”. They also contended that they are doing business at a distance of 8 to 10 kms. away from the place of business of Plaintiff. The defendants, therefore, contended that as Plaintiffs do not want to have healthy competition in the business, they have filed the present suit but they have failed to make out any prima facie case and as such Plaintiffs are not entitled to get injunction as prayed.

8. After hearing arguments of learned Advocates of both the parties and considering the documents produced on record, the learned Trial Judge came to the conclusion that Plaintiffs have obtained the necessary registration of the trade mark “Porwal” and the same is in existence. According to him, Plaintiffs have got vested right in using the said trade mark. He also held that defendants have started their business of selling bicycles, tricycles etc. by using the name “Porwal”

prominently and use of such name is bound to mislead or confuse customers. Learned Trial Judge also held that if defendants are allowed to use registered trade mark of the Plaintiff while displaying their name of the business, hardship and irreparable loss is likely to be caused to Plaintiff. He, therefore, granted temporary injunction as mentioned above against the defendants.

9. Being aggrieved by the said order defendants have filed the present appeal. In this appeal before me, Shri S.A. Sawant, learned Advocate for the Appellant-original defendants has urged only 3 points. Firstly, he submitted that the registered trade mark of Plaintiff firm is not "Porwal" but it is "Porwal Cycle and Motor Company" Secondly, he canvassed before me that admittedly, surname of present defendant is "Porwal". So, as per the provisions of Section-35 of the said Act, defendants are certainly entitled to use their surname while dealing in the business and Plaintiffs can not oppose or restrain the defendants from doing so, particularly when defendants are using their said name bonafide. Lastly, he submitted that the learned Trial Judge ought to have taken into

consideration the fact that defendants are doing business not at the Laxmi Road where Plaintiffs are having their business but defendants are doing business about 10 kms. away and as such it ought to have been held that Plaintiffs have not made out any prima facie case and the balance of convenience is also not in Plaintiffs' favour. He, therefore, submitted that the appeal be allowed and application for temporary injunction filed by the Plaintiffs be rejected. As against this, Shri Himanshu Kane, learned Advocate for the Plaintiffs supported the order passed by the learned Trial Judge. He submitted that the registered trade mark of the Plaintiffs is “Porwal”. Admittedly, defendants were serving in Plaintiff's firm. After getting acquainted with the skill in the said business and knowing full well that the Plaintiffs are doing their business in particular name, defendants have started their own business by using trade name of Plaintiffs. So, the conduct of the defendants indicate their malafides. So, according to him, defendants are not entitled to seek any exemption under section-35 of the said Act. In order to support this proposition, the learned Advocate has placed reliance on several

authorities and submitted that the appeal be dismissed.

10. From the Written Say filed by the defendants to the application Exh-5 as well as from the submissions made before me by the learned Advocate for the defendants it is very clear that defendants were serving in the Plaintiff's firm. Defendants have also not disputed that Plaintiffs are dealing in the business of selling of bicycles, tricycles etc. during last 50 years. The specific averments in the plaint that Plaintiffs have acquired goodwill and reputation in the market is also not specifically denied by the defendants. So, under such circumstances, the defendants have their business in the name and style “Porwal's Baby's World”, “Porwal's children paradise”.

11. It is the case of the Plaintiffs that their registered trade mark is “Porwal” as against this, it is tried to be contended on behalf of the defendants that Plaintiffs registered trade mark is not “Porwal” but it is “Porwal's Cycle and Motor Company”. However, if we see the certificate issued by the Registrar of Trade Marks to Plaintiffs, it is very clear that the

registered trade mark is "Porwal". In the upper portion of the said certificate it is only mentioned that the said trade mark is registered in the name of Jugraj T. Porwal, Krian J. Porwal, Mrs.Vijaya R. Porwal trading as "Porwal's" cycle and motor company, Laxmi Road, Pune. So, registered trade mark of Plaintiff's firm is "Porwal".

12. In order to find out whether in the instant case, defendants have committed any breach or infringement of the Plaintiff's registered trade mark and whether this is a case of passing off also, it would be worthwhile to see some of the provisions of the said Act. Section 2(1)(m) of the said Act defines mark as under :-

> **"(m) "mark" includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof ;"**
>
> **Sub-clause-o of the said Section says:-**
> **"name" includes any abbreviation of a name.**
>
> **Section-28 of the said Act speaks about the rights conferred by**

registration of the Trade Mark. It runs as follows :-

28. Rights conferred by registration : (1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtained relief in respect of infringement of the trade mark in the manner provided by this Act.

(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor."

29. Infringement of registered trade

marks :- (1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of-

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark;

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case failing under Cl(c) sub-section (2), the Court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which –

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he–

(a) Affixes it to goods or the packaging thereof ;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies

services under the registered trade mark;

(c) imports or exports goods under the mark ; or

(d) uses the registered trade mark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labeling or packaging goods, as a business paper; or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorized by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising –

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters ; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark."

Then Section-35 of the said Act is in the nature of exception. It says :-

"35. Saving for use of name, address or description of goods or services :-

Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with

any bonafide use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessor in business, or the use by any person of any bonafide description of the character or quality of his goods or services."

13. Shri S.A. Sawant, learned Advocate for the Appellants-defendants has mainly emphasized on the provisions of Section-35 of the said Act to show that in the instant case, Plaintiffs are not entitled to allege that the defendants have infringed registered trade mark of Plaintiffs because admittedly, the surname of defendants is "Porwal". However, Shri Kane, learned Advocate for the Plaintiffs vehemently argued before me that merely because defendants surname is "Porwal" that does not give the defendants right to use the registered trade mark of Plaintiff which is "Porwal", when use of the said registered trade mark of Plaintiff by the defendants is not bonafide. According to him, the facts and circumstances of the case are eloquent to show even prima facie that conduct of the defendants is not bonafide. He has also drawn my attention to various rulings wherein though, the name

of defendants and the name of Plaintiffs were the same, it was held by the various Courts including the Apex Court that in such cases also injunction can be granted against the defendants, if it appears that they are not entitled to seek exemption under Section-35 of the said Act. Firstly, he has relied on a case **Kirloskar Diesel Recon Pvt. Ltd. and another V/s. Kirloskar Proprietary Ltd. and others AIR 1996 BOMBAY 149** wherein it was held that the use of trade name "Kirloskar" by Appellants for their Companies can not be allowed and the balance of convenience would not be in support of the Appellants and therefore, issued injunction against Appellants from using name "Kirloskar". Similarly, in a case **Mahendra & Mahendra Paper Mills Ltd. V/s. Mahindra and Mahindra Ltd. AIR 2002 Supreme Court 117** Their Lordship observed :

> ***"the Plaintiff has been using the word "Mahindra" and "Mahindra and Mahindra" in its companies/ business concerns for a long span of time extending over five decades. The name has acquired a distinctiveness and a secondary meaning in the business or trade circles. People have come to associate the name "Mahindra" with a certain standard of goods and services. Any attempt by another person to use the name in***

business and trade circles is likely to and in probability will create an impression of a connection with the Plaintiff's group of companies. Such user may also effect the plaintiff prejudicially in its business and trading activities. Undoubtedly, the question whether the plaintiffs' claim of 'passing-off action' against the defendant will be accepted or not has to be decided by the Court after evidence is led in the suit. Even so, for the limited purpose of considering the prayer for interlocutory injunction which is intended for maintenance of statusquo, the trial Court rightly held that the plaintiff has established a prima facie case and irreparable prejudice in its favour which calls for passing an order of interim injunction restraining the defendant-company which is yet to commence its business from utilizing the name of 'Mahendra' or 'Mahendra and Mahendra' for the purpose of its trade and business."

14. Similarly, learned Advocate for the Plaintiffs has placed reliance on a case **S.R. Thorat Milk Products Pvt. Ltd. V/s. Sahyadri Dairy 2003 Vol.105(2) Bom.L.R. 101** wherein the Plaintiff was selling milk in the polythin pouch mark by green colouring lines drawn diagonally across the pouch in which logo "S.R. Thorat Milk" was written in green ink. While defendants

started selling milk in polythin pouch with similar green colour drawn lines under the trade name "P.B. Thorat Milk". In such circumstances, this Court (Coram : Dr D.Y.Chandrachud,J.) negatived arguments advanced by the defendants by relying on Section-34 of the Trade and Merchandise Marks Act, 1958 and specifically observed that when the case is made out by the Plaintiff for passing of, the defendant is not entitled to get protection of Section-35 of the said Act.

15. Incidentally, it must be noted that the present Plaintiff had filed suit No.2 of 2003 for permanent injunction when a person by name 'Porwal' had started business in the name and style "M/s. Porwal Cycles". In that suit present Plaintiff had sought temporary injunction and the same was granted. When that order was challenged in High Court this Court (Coram : S.J. Vazifdar,J.) confirmed the order of temporary injunction granted against defendants.

16. In the instant case, prima facie Plaintiff has established that they are doing business for last about

50 years. The fact that they have acquired reputation and goodwill is not specifically disputed. So, merely because the defendants have started business at a distance of 10-15 kms. away from the Plaintiff's business would not make any difference. Goodwill and reputation can not have limitation of distance. It is very clear that if the defendants are allowed to utilize the name “Porwal” and that too prominently in the name of their business it is bound to cause great confusion in the minds of the public at large. There is certainly great degree of resemblance in the name of Plaintiffs firm and defendant's firm because the prominent word therein is “Porwal”. Admittedly, both Plaintiffs and defendants are dealing in similar articles. So, it is very clear that in the present case the Plaintiffs have prima facie shown that defendants have infringed Plaintiffs' registered trade mark and also established a prima facie case for passing off.

17. Once it is held that Plaintiffs have made out a prima facie case for pointing out that the defendants are causing infringement of Plaintiffs registered trade mark and have also prima facie established that

this is a case of passing off, it has to be held that the balance of convenience is also in favour of Plaintiffs. If defendants are not temporarily restrained as prayed by the Plaintiffs then the defendants would continue to sale their goods by using name "Porwal" and as mentioned above it may give incorrect impression to the public at large that the production of defendants is in fact the production of Plaintiffs. If the said production of defendants is not upto the mark then certainly it would cause damage to Plaintiff's reputation and goodwill. Such damage can not be compensated in terms of money. So, it is very clear that the balance of convenience is in favour of Plaintiffs and they would suffer irreparable loss if the injunction as prayed is not granted in their favour.

18. So, I am of the view that the learned Trial Judge has rightly used his discretion and granted temporary injunction against the defendants.

19. It is well settled that while considering an appeal against the temporary injunction order passed by

the Trial Court, Appellate Court shall not interfere with the said order unless it appears that the order passed by the Trial Court is arbitrary or capricious or it is not borne out from the material on record. It has been so held in **Wander Ltd. and another V/s. Antox India Pvt.Ltd. 1990(Supp) Supreme Court Cases 727.**

20. In the instant case, as observed above the order passed by the Trial Court is legal and correct and there is no necessity to interfere with the same. In this view of the matter, there is no substance in this appeal. Hence, I pass the following order:-

O R D E R

Appeal is dismissed with costs.

At this stage learned Advocate for the appellant submits that during the pendency of the Notice of Motion there was statusquo and the order regarding status-quo was in existence till today and as the appellants intend to approach the Apex Court the said order of statusquo be continued for a period of 4 weeks. The learned Advocate for the Respondents opposes the said submissions. In the interest of justice the said order of statusquo is to continue till 12/11/2007.

(S.R.SATHE,J.)